

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7225

BILL NUMBER: SB 240

NOTE PREPARED: Jan 2, 2009

BILL AMENDED:

SUBJECT: Public works procedures.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill amends the statute governing local public works projects to state that a political subdivision or its agencies may: (1) participate in a utility efficiency program or may enter into a guaranteed savings contract as provided by law; and (2) enter into a design-build contract as permitted by law instead of awarding a public works contract.

The bill provides that a "conservation measure" includes installation in a political subdivision's facility. (Under current law, the definition of "conservation measure" includes only insulation of school facilities.)

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could reduce local government public work projects cost if the design-build contract was cheaper than a traditional public works project. The savings would depend on the project.

The impact of allowing local government to participate in a utility efficiency programs or enter into guaranteed savings contracts could also reduce locals costs. Energy savings contracts are paid from the reduction in energy costs resulting from the project.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: All..

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.